

HOUSE BILL 3726

By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Section 4-17-303; Section 7-53-305; Section 7-53-312; Section 7-67-114 and Section 48-101-312, relative to procedures for documentation and compliance with economic development and related programs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated Section 4-17-303 is amended by adding the following language at the end of the section:

If the agreement is not filed within thirty (30) days after written demand by the comptroller or other public entity with whom it is to be filed, the private entity that is party to the agreement shall owe an additional payment in lieu of tax in the amount of five hundred dollars (\$500).

SECTION 2. Tennessee Code Annotated Section 7-53-305 is amended by adding the following language at the end of subsection (d):

To the extent lease payments or payments in lieu of taxes exceed the amount necessary to defray debt service on project bonds or other financing, any payments not timely made as agreed may be collected by or on behalf of the city or county in the same manner as delinquent property taxes.

SECTION 3. Tennessee Code Annotated Section 7-53-305 is further amended by deleting subsections (e) through (g) and substituting instead the following:

(d) On or before October 1 each year, the corporation lessee or sublessee shall file with the state board of equalization a report listing leased properties and details of the lease and payment in lieu of tax (PILOT) agreements in a format approved by the board. A copy of the report shall be filed with the assessor of property on or before October 15. The assessor may audit or review the report and conduct comparative

analysis to ensure that all agreements and reports are filed. Failure to timely complete and file the report at the board shall subject the lessee or sublessee to a late filing fee of fifty dollars (\$50) payable to the board. In addition, failure to file the report with the board or assessor within thirty (30) days after written demand therefore shall subject the lessee or sublessee to an additional payment in lieu of tax in the amount of five hundred dollars (\$500).

(e) Any tax jurisdiction in which project property lies may require the corporation or the property lessee or sublessee to verify compliance with lease or PILOT agreements or filing or reporting related to the agreements.

SECTION 4. Tennessee Code Annotated Section 7-53-312 is amended by substituting the words “assessor of property” for the words “tax assessors” in subsection (i), and by adding the following language at the end of subsection (i):

A copy of the plan and any resolutions approving the plan shall be filed with the comptroller of the treasury, and an annual statement of amounts allocated in excess of the base tax amount shall be filed with the state board of equalization.

SECTION 5. Tennessee Code Annotated Section 7-67-114 is amended by designating the existing language as subsection (a), and by adding the following additional subsections

(b) On or before October 1 each year, any authority lessee or sublessee shall file with the state board of equalization a report listing leased properties and details of the lease and payment in lieu of tax (PILOT) agreements in a format approved by the board. A copy of the report shall be filed with the assessor of property on or before October 15. The assessor may audit or review the report and conduct comparative analysis to ensure that all agreements and reports are filed. Failure to timely complete and file the report at the board shall subject the lessee or sublessee to a late filing fee of fifty dollars (\$50) payable to the board. In addition, failure to file the report with the

board or assessor within thirty (30) days after written demand therefore shall subject the lessee or sublessee to an additional payment in lieu of tax in the amount of five hundred dollars (\$500).

(c) Any tax jurisdiction in which project property lies may require the authority or the property lessee or sublessee to verify compliance with lease or PILOT agreements or filing or reporting related to the agreements.

SECTION 6. Tennessee Code Annotated Section 48-101-312 is amended by deleting subsection (d) and substituting instead the following:

(d) On or before October 1 each year, the corporation lessee or sublessee shall file with the state board of equalization a report listing leased properties and details of the lease and payment in lieu of tax (PILOT) agreements in a format approved by the board. A copy of the report shall be filed with the assessor of property on or before October 15. The assessor may audit or review the report and conduct comparative analysis to ensure that all agreements and reports are filed. Failure to timely complete and file the report at the board shall subject the lessee or sublessee to a late filing fee of fifty dollars (\$50) payable to the board. In addition, failure to file the report with the board or assessor within thirty (30) days after written demand therefore shall subject the lessee or sublessee to an additional payment in lieu of tax in the amount of five hundred dollars (\$500).

(e) Any tax jurisdiction in which project property lies may require the corporation or the property lessee or sublessee to verify compliance with lease or PILOT agreements or filing or reporting related to the agreements.

SECTION 7. This act shall take effect on becoming law, the public welfare requiring it.